

## Solid improvement during difficult times

<b>Company/ASX Code</b>	QBE Insurance Group Ltd (QBE)
<b>AGM time and date</b>	10:00am Friday, 9 May 2025
<b>Location</b>	Wesley Conference Centre 220 Pitt St Sydney
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Sue Howes assisted by Gareth Eastwood
<b>Pre-AGM Meeting</b>	Yes, with Mike Wilkins (Chair), Carolyn Scobie (Group General Counsel) and Peter Smiles (Group Company Secretary)

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

### 1. How we intend to vote

No.	Resolution description	
2	To adopt the Remuneration Report	For
3	To approve the grant of LTI Plan Conditional Rights under the Company's LTI Plan for 2025 for the Group CEO	For
4(a)	That Ms Y Allen, who retires by rotation in accordance with rule 50 of the Company's constitution, be re-elected as a director of the Company	For
4(b)	That Mr N Maidment, who was appointed in accordance with rule 48(c) of the Company's constitution, be elected as a director of the Company.	For
5	To amend the Constitution	For
6	To renew proportional takeover provisions	For

### 2. Summary of Issues and Voting Intentions for AGM/EGM

- The company has had a good financial year overall with continued improvement.
- Culture changes are now embedded following previous turbulence and is now considered business as usual.
- The Board is appropriate given the international nature of the business.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

### 3. Matters Considered

#### Accounts and reports

QBE has diverse sources of revenue from both a product and geographic perspective and has added to its product range in July 2024, offering a cyber insurance product branded as QCyberProtect. In our meeting, the Chair noted that QBE would like to expand this business, though it is not yet a material contributor to premium revenue for the group. QBE has prioritised ensuring that the Group has appropriate skills and controls in place for this business before growing market presence.

The crop insurance business results reflected a mix of lower commodity prices (lowers premium) at the outset of the FY and weather/disaster events (increasing claims). This is a federally regulated market in the US, where QBE holds second place for in market share.

QBE's largest revenue source remains the commercial property and casualty business, composing 44% of group net insurance revenue (premiums – claims – underwriting).

QBE last issued equity via a capital raising in 2020.

#### Summary

(As at FYE)	2024	2023	2022	2021	2020
NPAT (US\$m)	1,787	1,364	778	757	(1,511)
Share price (AU\$)	19.20	14.81	13.43	11.35	8.53
Dividend (AUcents)	72	44	28	11	31
Simple TSR (%)	34.5%	13.6%	20.8%	34.3%	-31.4%
EPS (US cents)	115.2	87.6	48.6	47.5	(108.5)
CEO total remuneration, actual (\$m)	6.47	4.98	4.35 [2]	1.7 [1]	2.08

Simple TSR is calculated by dividing the change in share price plus dividend paid during the year, excluding franking by the share price at the start of the year.

Note 1: CEO Andrew Horton appointed in March 2021 and took up position on 1 Sep 2021. 2021 remuneration includes substantial relocation and other expenses (\$A619,000)

Note 2: Based on realised remuneration \$US3.021, including \$US186'k "Other" expenses.

#### Governance and culture

Neil Maidment was appointed to the board as a non-executive director in February this year. Mr Maidment has 30+ years underwriting and reinsurance experience, predominantly in the UK market. Rolf Tolle is the longest tenured director, joining the QBE board in March 2016, he is retiring at the end of the AGM.

The board skills matrix, located in the separate Corporate Governance Statement, is better described as a combined assessment of board skills and experience. Individual director contributions to the overall assessment are not provided. The QBE board is reported as either Strong or Very Strong in all categories. ASA prefers skills being attributed to individual directors so that shareholders may better identify who is directing the company on their behalf. However, this Board prefers the approach to be based on an assessment of collective skills, the QBE model is compliant with ASX corporate governance principles.

The Chair commented that Ms Le has been a very beneficial addition to the Board and has brought an entrepreneurial and customer viewpoint to discussions. Ms Le's experience in the US startup industry as well as with data and AI, has offered a different approach to deliberations. She has also been active with QBE ventures (an incubator for insurance aligned startups) and sits on the investment committee.

During our meeting, the Chair observed that QBE has improved its surveyed staff engagement results into the top quartile for financial services. Safety to speak up has improved dramatically. After sustained improvements were observed, Culture was replaced by Customer as a strategic priority for the Group at the end of 2024.

#### **Key board or senior management changes**

Both management and Board membership have been stable over the year with the only exception being the new director being elected at the AGM.

#### **Sustainability/ESG**

As a general insurance company QBE needs to have a solid understanding of, and manage the balancing of, climate risk, financial risk and customer needs. The annual report shows the company is aware of this and has comprehensive plans and strategies in place with solid targets and good reporting on progress.

This year's annual report provides some excellent, easy to understand reporting on risks and sustainability with a significant amount of the report devoted to these areas. There is a handy risk radar (page 18) that clearly shows the company's thinking on these issues. The emerging risks section on page 21 shows the company is both thinking strategically about risk and sustainability and is transparent in its reporting.

## **4. Rationale for Voting Intentions**

### **Resolution 2 - To adopt the Remuneration Report**

There have been no significant changes to the Remuneration Plan from that of FY23.

The Remuneration Plan does not meet ASA requirements in that the target STI (150% of Fixed remuneration [FR]) and maximum STI (225% of FR) are much higher than we would generally approve. However, FR is reasonable (on the low side) for this size and complexity of company, the STI is 50% deferred (over 4 years) equity, 70% is based on financial performance measures and, given the STI outcome granted in a year of good financial performance for the company, is not a

“gimme” for management. The Board view this as fixed being lower rather than STI being higher as they want a greater level of remuneration at risk.

LTI awards have a maximum opportunity of 200% of FR, a 3-year performance period and effectively a 4-year vesting period.

Overall, the metrics are reasonable, the emphasis on financial and long-term performance over both STI and LTI is good, the length of vesting and proportion of total remuneration delivered in equity is aligned with shareholders. Accordingly, ASA will be voting all undirected proxies for this resolution.

### **Resolution 3 - To approve the grant of LTI Plan Conditional Rights under the Company’s LTI Plan for 2025 for the Group CEO**

The explanatory notes are clear and transparent. As we are voting for the remuneration scheme, albeit with our reservations on the level of STI, we are also voting any undirected proxies for this resolution.

### **Resolution 4(a) - That Ms Y Allen, who retires by rotation in accordance with rule 50 of the Company’s constitution, be re-elected as a director of the Company**

ASA has no reason to vote against this resolution. Ms Allen joined the Board in 2022 and has significant Board experience.

### **Resolution 4(b) - That Mr N Maidment, who was appointed in accordance with rule 48(c) of the Company’s constitution, be elected as a director of the Company.**

ASA welcomes Mr Maidment’s election to the Board. Mr Maidment has significant industry experience in overseas jurisdictions, both of which are seen as beneficial to a Board. However, we would suggest to the Board that the skill set of this Board is heavily skewed to prior insurance and financial services experience, and it may benefit in the future from looking further afield to add skills from other disciplines, such as Ms Le.

We will be voting all undirected proxies for this resolution.

### **Resolution 5 - To amend the Constitution**

There is a raft of changes to the Constitution in this resolution. The only one ASA finds contentious is the amendment to allow virtual and hybrid general meetings. There is market history of this type of amendment being used to allow the company to move to virtual only meetings, thus reducing the rights of shareholders to ask questions, and, as owners of the company, to hold the Board and management to account.

Much as the explanatory notes have indicated the Board intends hybrid meetings in the future, granting this change does mean that the Board can have a change of heart and simply decide to have a virtual only AGM. However, the current Rule in the Constitution does not allow hybrid AGM’s, ASA’s preferred option.

Consequently, we will be voting for this resolution in its entirety but put the Board on notice that movement toward virtual only meetings will be met with considerable comment from the ASA should this occur.

## **Resolution 6 - To renew proportional takeover provisions**

This is a standard resolution that, under the workings of the Corporations Act, must be renewed every three years. This resolution provides additional protection for retail shareholders as it prevents partial takeover bids without requiring a majority vote of shareholders to agree to the takeover. Accordingly, ASA will be voting all undirected proxies for this resolution.

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## Appendix 1

### Remuneration framework detail

CEO rem. Framework for FY24	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.99	21%	1.99	18%
STI - Cash	1.49	17%	2.24	21%
STI - Equity	1.49	17%	2.24	21%
LTI	3.98	45%	3.98	38%
<b>Total</b>	<b>8.95</b>	<b>100.0%</b>	<b>10.45</b>	<b>100%</b>

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. \*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.

The actual remuneration for the CEO for FY24 has been calculated as follows:

Actual remuneration FY24	Value AUD\$'000
Fixed Remuneration	1,921.21
Other benefits	198.48
Superannuation and leave	22.73
Cash STI	1,748.48
Vested equity relating to deferred STI and LTI 134,346 shares x share price at 31/12/24 AUD\$19.20	2,579.44
<b>Total</b>	<b>6,470.34</b>

Note: the exchange rate used was \$0.66 per the annual report.